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**Interim WTO Report Supports U.S. Position on
Unnecessary Japanese Testing Requirements**

In response to earlier Japanese press reports, the Office of the U.S. Trade Representative today confirmed that a dispute settlement panel of the World Trade Organization has made interim findings that Japanese testing requirements for agricultural products violate Japan's WTO obligations. This report, if finalized by the panel in October, should result in new opportunities for U.S. exporters of apples, nectarines, cherries, walnuts, and other agricultural products. This would be the third successful outcome for the United States in disputes against Japan at the WTO. The earlier cases related to differential taxation policies (distilled spirits) and intellectual property (sound recordings).

In response to the WTO panel's interim decision, U.S. Trade Representative Charlene Barshefsky stated, "This WTO case reflects our concern about Japan's use of groundless testing requirements that serve only to restrict market access for U.S. agricultural products. We are pleased that the panel has recognized that there is no scientific basis for the Japanese measures."

The interim dispute settlement panel report, issued on August 6, accepts the U.S. position on Japan's varietal testing requirement. Japan requires repeated testing of established quarantine treatments each time an additional variety of an already approved commodity is presented for export. The panel has recognized that Japan's varietal testing requirement is not supported by scientific evidence, is more trade restrictive than required and is non-transparent. It is therefore inconsistent with Articles 2.2, 5.6 and Annex B of the Agreement on Sanitary and Phytosanitary Measures.

Background

Japan requires repeated testing of established quarantine treatments each time that a new variety of an already approved commodity is presented for export. For example, Japan has approved red and golden delicious apples for export, but is requiring that the quarantine treatment be retested for efficacy on several other varieties. While Japan is within its rights to require treatment of agricultural commodities that are hosts for quarantine pests, this redundant testing requirement has no scientific

basis and serves as a significant barrier to market access. Completion of the testing for each variety takes a minimum of two years and is very costly to the United States Government and U.S. producers.

The fruits of immediate export concern are apples, cherries, walnuts and nectarines. In addition, there are at least five other commodities that could benefit from this WTO report - pears, peaches, quinces, apricots and plums. Japan asserts that all of these commodities may be hosts to codling moth, a pest not known to occur in Japan.

Japan “liberalized” its trade for apples in 1971. However, since that time, GOJ officials have continually denied permission for the importation of U.S. apples, allegedly due to phytosanitary concerns. It was only in 1994 that the first apples were actually approved for import.